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GREATER HARTFORD'S BUSINESS NEWS

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HBJ PHOTO | GREGORY SEAY



Connecticut Mirror Editor Claude Albert, seen in the Mirror's newsroom in the State Capitol press office, is proud of his staff's journalism and bullish on the organization's future.

FOCUS: NONPROFITS

Nonprofit news in CT grows as legacy media shrinks

By John Stearns

jstearns@HartfordBusiness.com

Nonprofit journalism in Connecticut is alive and well, even thriving, according to some industry representatives, whose focus on independent, watchdog journalism is attracting more audience and revenues, the latter of which are plowed back into the journalistic mission rather than shareholders' pockets.

Still a relatively young field — excluding Connecticut Public Broadcasting Network and its stable that includes WNPR — nonprofit sites like The Connecticut Mirror (www.ctmirror.org) and New Haven Independent (www.newhavenindependent.org) that emerged to fill what they saw as coverage voids in key areas left by so-called legacy media are bullish on their futures.

"I'm really pleased with the way it's going," said Claude Albert, editor of The Connecticut Mirror and a former managing editor at the Hartford Courant. "I think editorially, we're doing coverage that makes a real difference in the state of Connecticut."

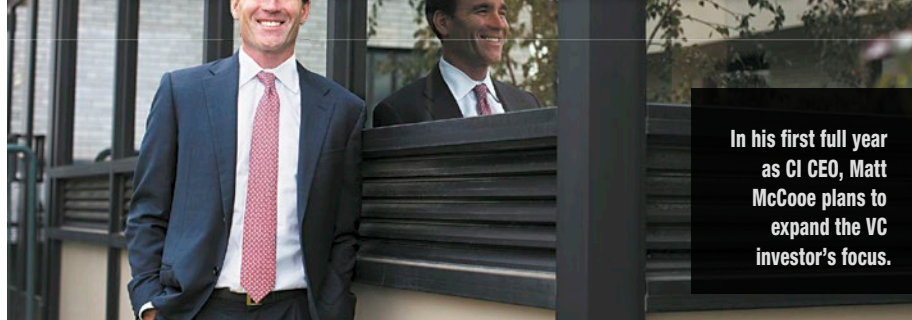
The Mirror's prime focus areas include politics, the state budget, education, health care and the environment, covered by former reporters from the Hartford Courant and other statewide newspapers. They also have a Washington D.C. reporter.

The Mirror's content is often picked up by legacy media outlets that rely on the coverage in the face of shrinking newsrooms.

Albert said page views for The Mirror and

Continued on page 8

INTERNATIONAL RECRUITMENT



In his first full year as CI CEO, Matt McCooe plans to expand the VC investor's focus.

CT Innovations looks beyond U.S. for investments

By Matt Pilon

mpilon@HartfordBusiness.com

Connecticut's quasi-public venture capital arm is planning to throw its support behind the state's efforts to attract foreign companies.

Connecticut Innovations (CI), which hired a new CEO last year, is planning an international venture capital contest, open

to U.S. companies, that would culminate late this year with several million dollars in debt and equity investments in winning firms that agree to move to the Nutmeg State. CI is calling the contest the "global venture challenge" for now, but will unveil an official name once it rolls out its marketing push in the U.S. and abroad.

Continued on page 16



Several developers have proposed Connecticut solar farms, one as large as 44-megawatts. That's roughly eight times the size of this East Lyme solar farm, developed by Middletown's Greenskies Renewable Energy.

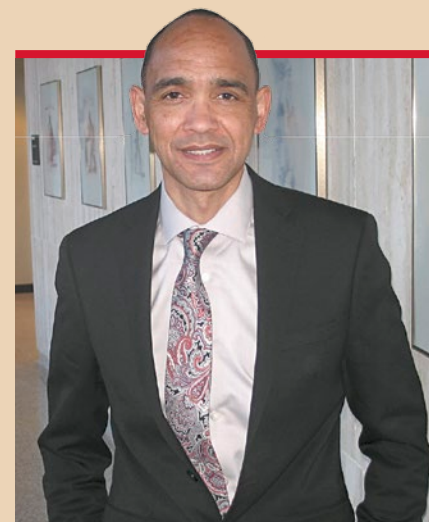
Clean energy scales up

Connecticut may soon source more of its clean energy from within its own borders, if five newly proposed solar and fuel cell projects are successful in winning a unique and ongoing multi-state bidding process. **PG. 14**



Flying Strong

Timely deals, diversification and China have helped 71-year-old Bloomfield aerospace manufacturer Kaman Corp. fend off choppy headwinds. **PG. 3**



EXECUTIVE PROFILE

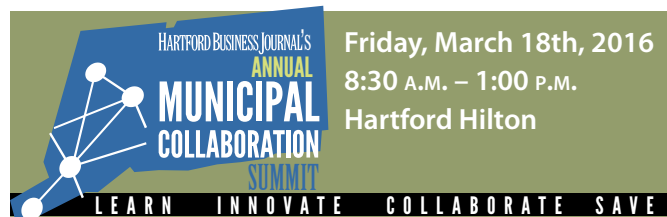
Tall Task

Andrew Agwunobi grew up poor in a remote village in Scotland. Today he's running a \$1-billion enterprise as UConn Health's CEO and executive vice president for health affairs. Read about his journey. **PG. 5**

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Flying Strong

Timely deals, diversification, China help Kaman fend off choppy headwinds

By Gregory Seay
gseay@HartfordBusiness.com

Timing is becoming a hallmark for 71-year-old Bloomfield aerospace manufacturer and power-transmission equipment distributor Kaman Corp.

Last fall, Kaman delivered its last SH-2G Seasprite helicopter to New Zealand's military. On top of that, another Kaman defense customer, the U.S. Air Force, is collecting the last of its C-17 Globemaster III cargo jets, for which Kaman supplied about \$1 million of parts and components per plane.

Normally, the falloff in defense orders, Kaman Chairman and CEO Neal J. Keating says, would have prompted it to curtail dozens of engineers, machinists, assemblers and other staff at plants in Bloomfield and Florida.

Not this time. And in a bit of irony, China is helping save Connecticut jobs.

Last October, Kaman's participation in a 2012 China trade mission led by Gov. Dannel P. Malloy bore its first fruit. The company sold to China two K-MAX heavy-lift aircraft, plus drew deposits for two more, for fighting forest fires, opening the door to future aerospace sales there, Keating said. First deliveries are set for 2017.

"It's an important first step for us," Keating said of China. "In this country, we have about 10,000 civilian and military helicopters. In China, there are only about 600 helicopters total. China has a big forest-fire problem. It's so large and its geography so vast, it's 'fire season' almost monthly."

K-MAX production had been mothballed for a decade, except for a brief period when Kaman refitted two of the helicopters as unmanned, remote-controlled drones for the Marine Corps' successful, 33 months of combat-supply missions in Afghanistan, beginning in 2011. The Marines now have them in storage.

K-MAX fuselages are made in Kaman's Jacksonville, Fla., plant; production of tail-rotor pylons and main rotor blades, along



Kaman Corp. Chairman and CEO Neal Keating stands within the aerospace manufacturer's Bloomfield plant.

with final assembly and flight testing, is done in Bloomfield.

Even Kaman's oilpatch exposure hasn't been as calamitous as it might have been, Keating said. The reason is that its submersible water pumps and other power-transmission equipment have other applications beyond the production of oil and natural gas.

However, he said, Kaman's buildup of that segment, beginning in 2008 just as the U.S. and global economies were collapsing, didn't anticipate the fallout from the precipitous

plunge in oil prices from over \$120 a barrel then to around \$30 a barrel today.

"What we didn't have a full appreciation for," Keating said, "is of the second- and third-level impact from a reduction in oil prices."

Demand has fallen, he noted, for certain types of specialty steel used for oil drilling and cracking open seams in the earth to reach untapped pockets of natural gas, and certain specialty capital goods, such as submersible pumps.

The strong dollar, too, is having a negative impact on overseas sales.

But it is Kaman's diversification on the aerospace side that so far has been the company's sweet spot.

"One reason I feel so good about our business is that it is so diversified," the CEO said.

Future strategy

During the holiday season, Keating says he spent more time away from family and the TV, pondering some particular

headwinds confronting his company.

"First, we have to effectively manage those areas of growth where we're seeing really good growth," Keating said in a recent sitdown in his spacious office on Kaman's Bloomfield campus. "Second, is to manage our cost structure in markets where businesses are really struggling. The third is to stay steadfast in our investment approach to our businesses."

"We've got to take full advantage," the CEO said, "of the opportunities we have in markets where we will be challenged."

Keating admits it's all a tall order, but one he and more than 700 Kaman engineers, machinists, managers and support staff already are taking steps to embrace in training for certification as program-management professionals.

Leveraging its human resources to plumb new and existing markets could open yet another chapter for the company that late legendary Connecticut aerospace inventor-pioneer Charles H. Kaman forged in 1945 with his radical concept for intermeshing helicopter rotors. Charles Kaman died at 91 in 2011.

Kaman's full 2015 sales and profits are due this week. However, its performance was mixed in last year's first nine months. Kaman posted higher third-quarter operating and net income despite a drop in sales at its primary business units — aerospace and power/fluid distribution.

Continued ►



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As a result, Kaman was forced to lower its sales projection for its power-distribution hardware segment, which primarily serves original equipment makers, including ones in the slumping oil and gas sector. Aerospace sales projections, too, dropped.

On the plus side, however, Kaman boosted its third-quarter gross margin — to 30 percent — and incurred lower operating expenses than the third quarter of 2014.

Extracting more value from its products and lower overhead enabled Kaman to ply its coffers with \$84.8 million in net cash in the first nine months of 2015, nearly double the sum Kaman drew from operations in the comparable 2014 period, according to market analyst Zack.com.

The company wasted little time redeploying some of its cash into deals. In rapid succession, Kaman in October bought Timken Alcor Aerospace Technologies Inc., a Mesa, Ariz.,

maker-supplier of aftermarket parts used for aircraft maintenance and overhaul.

In November, it closed on two more deals: Calkins Fluid Power Inc., a Spokane, Wash., distributor of fluid-power components and systems; and Germany's GRW Bearing, whose miniature ballbearings, Keating says, enable it to sate the strong aerospace demand Kaman is seeing, particularly from European jetmaker Airbus, for specialty bearings with a proprietary coating that renders them "maintenance-free."

Those deals, Keating said, while infusing Kaman with technology and talent, were done primarily to fulfill Kaman's aim to be "closer to our customers."

Later this spring, Keating said Kaman will begin work on its Bloomfield campus, to expand its bearings operations with the installation of more sophisticated production machinery. A

small volume of net new hires may also occur, he said. That's on top of a new bearings facility Kaman erected in Germany and the opening of its aerospace-tooling and manufacturing facility in the United Kingdom, both in 2014.

2015 also saw Kaman return to full, uninterrupted production of its joint program-mable fuzes to arm U.S. and allies' warplane bombloads. For brief periods in previous years, Kaman was forced to halt fuze production while fixes were made to an outside firm's design of the arming devices.

The good news, Keating said, was that 99 percent of the fuzes Kaman shipped to the U.S. military and its allies performed reliably, with most of the defective fuzes identified before they landed in the field.

"We take very seriously our responsibility to those [armed forces] men and women," Keating said.

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Andrew Agwunobi is focused and serious, but also low key and approachable. He loves people, is a pediatrician and comes from a healthcare family.

Andrew Agwunobi

CEO at UConn Health and executive vice president for health affairs

Highest education: Medical doctor, University of Jos, Nigeria, 1995.

Executive insights:

"My core belief is that leadership is a privilege not a right."

"Empower the physicians. ... The actual solution to a lot of our problems in health care is to have physicians be co-leaders, so instead of them just giving input or giving advice, they're at the table leading the change."

Agwunobi pairs smart business with better health

By John Stearns

jstearns@HartfordBusiness.com

Business and medicine run in Andrew Agwunobi's family.

The CEO at UConn Health and executive vice president for health affairs is a medical doctor and MBA. His Nigerian father was a surgeon in Britain. His grandfather was a physician. His Scottish mother was a nurse. His wife is a hospitalist and brother a physician.

Working as a pediatrician at Harvard Vanguard Medical Associates in Boston and running its pediatric urgent-care center, Agwunobi wanted to explore the business of medicine further. He got his MBA at Stanford and set sail.

The transition from pediatrician to CEO was natural. His physician father also had pharmaceutical export-import, house-renovation and trucking businesses.

"So when I grew up, I didn't see business and medicine as separate," said Agwunobi, 50, who was permanently appointed UConn CEO Dec. 31, but was interim CEO since Nov. 2014. "I always loved the business side as much as I loved the medicine side."

Born in Scotland, where he lived until age 12, he grew up poor in a remote village as his parents worked to put his dad through medical school.

Today he's running a \$1-billion enterprise in UConn Health, overseeing operations on its Farmington campus, which also includes John Dempsey Hospital, 10 UConn Health clinics, and medical and dental schools. The enterprise employs 5,529 faculty and staff.

Agwunobi has been steering UConn Health since fall 2014, but he arrived a year earlier from Spokane, Wash., as a health-care consultant with Berkeley Research Group to help UConn improve operations and finances, which included losses that approached \$30 million. He also served as chief transformation officer.

UConn Health leaders were receptive to change and finances have improved. John Dempsey Hospital narrowed its operating loss in fiscal 2015 to \$6.8 million, compared to a \$17.8 million loss a year earlier.

"We still are losing money and we still have to have a long-term plan for that, but at least we're not facing the type of huge losses that we were at that time," he said.

With quality care, good service and new

facilities, UConn has the ingredients to be strong going into the future, but not by itself, Agwunobi said.

"I think that we have to reach out to entities around us, deepen our collaboration with them, seek affiliations that are beneficial to the communities around us, and be creative and open to change, he said.

He seeks to join one of the region's accountable care organizations and form other affiliations, too.

Agwunobi had to be creative as CEO of Grady Health System in Atlanta, where he worked before Spokane. The system included a children's hospital losing substantial money. Leaders crafted a new vision that any child admitted in Atlanta should get the same standard of care as a top 10 children's hospital. He approached Children's Healthcare of Atlanta, which operated two competing top 10 children's hospitals, to have it operate Grady's children's hospital with the other two. One system operated three hospitals with a single vision.

The vision was widely supported, philanthropic dollars poured in and success followed, Agwunobi said.

Rather than viewing Grady's problem as competition from the other hospitals, "the healthy way to look at the problem was, 'Let's step back from that and figure out how we can collaborate to make one plus one equal to three,'" he said.

CEO or COO in four previous health systems, Agwunobi is used to running complex health organizations in challenging environments, but said he's always learning.

He believes leaders need to drive an organization's culture; think like owners; and not need credit, but view organizational success as individual success. He's big on communication and is launching a "Dear Dr. Andy" inbox for staff to contact him. He's creating physician-empowerment teams for doctors' input on business decisions.

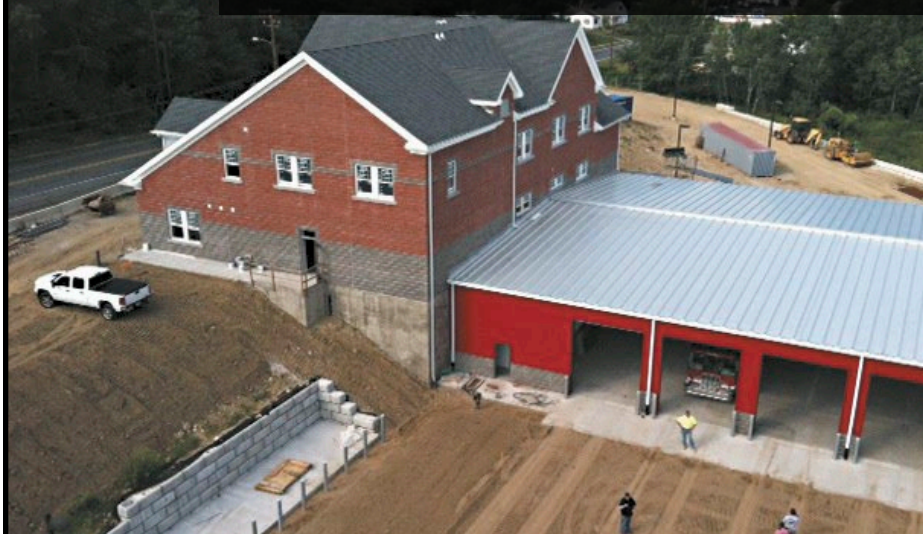
Agwunobi enjoys reading classic books, archaeology and writing.

He's looking forward to his wife, Elizabeth, and youngest daughter, Hannah, 11, moving from Spokane. His oldest daughter, Rebekah, 13, is nearby, newly enrolled in Choate Rosemary Hall in Wallingford.

He and Elizabeth met during his residency at Howard University in Washington, D.C. ■

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BY THE NUMBERS

\$569.5M

The total cuts Gov. Dannel P. Malloy is proposing to the fiscal 2017 budget to close a projected \$500 million deficit.

5.75%

The percentage Gov. Malloy is proposing to cut from state agency budgets in fiscal 2017.

\$40,000

The maximum cap Gov. Malloy wants to place on Connecticut's probate fees, which can go as high as nearly \$500,000 for estates worth \$100 million.

900

The number of workers Home Depot plans to hire in its 20 Connecticut stores within a 50-mile radius of Hartford, as the home-improvement product retailer again ramps up for the busy spring season.

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Gov. Dannel P. Malloy addresses the General Assembly last week in Hartford.

TOP STORY

Biz embraces Malloy budget cuts, structural reforms

Gov. Dannel P. Malloy is proposing \$569.5 million in cuts from his 2017 fiscal year budget that would shrink spending to \$19.87 billion.

The big news for business under the proposal, which will be taken up by the legislature over the next several months, would be an elimination of a personal property tax for companies with less than \$10,000 worth of personal property. Stemming from a recommendation recently submitted by the State Tax Panel, the measure would impact 46 percent of all businesses in Connecticut, the governor said. It would cost the state \$6 million in tax revenue.

Malloy is also again proposing the elimination of minimum alcohol pricing, which has been met with strong opposition in the past by state liquor store operators, who fear it would give larger stores a bigger advantage.

Malloy called for the legislature to craft an enforceable budget spending cap — a measure voters thought they had completed in 1992, but which was recently ruled unenforceable by Attorney General George Jepsen.

"It's time we give [voters] what they asked for," Malloy said.

He also spoke about Connecticut's economic challenges. Lower-than-expected tax revenue over the past several years, coupled with a net loss of higher paying jobs and stagnant wage growth since the recent recession, presents a new economic reality for the state, one that must be met with reduced spending, pension reforms and other measures, he argued.

The governor's budget plan amounts to a 3 percent cut in spending for fiscal 2017, a year in which the state faces a projected deficit of more than \$500 million.

Malloy noted in his speech that Massachusetts is facing a \$635 million budget deficit, and the gaps are wide in Pennsylvania and Louisiana.

The proposed spending reductions would be partly achieved through a 5.5 percent cut to many discretionary state agency accounts, Barnes said. That includes municipal aid, but not education grants.

Agency commissioners, under Malloy's plan, would have more flexibility in how to use their funding. Malloy wants to shift to a "block grant" funding model, which some see as less transparent. Malloy said he would encourage agency use of tools such as the state's public data portal to show funding decisions and results in real time.

Business applauds

Office of Policy Management Secretary Benjamin Barnes also said the governor is committed to a reduction of the state workforce through attrition and possibly layoffs. He said OPM had not projected the number of workforce cuts.

Barnes said Malloy also wants to shift to a "zero-based" budget process, rather than forecasting a 5 percent growth in expenditures each year, under the so-called consensus revenue model.

In a written statement, Andrew Markowski, Connecticut state director of the National Federation of Independent Business (NFIB), a small business lobbying group, said Malloy set the right tone with his budget speech and proposals.

"Governor Malloy said that the days of spending outside of state revenue are over and we applaud him for accepting this new economic reality," Markowski said. "[His] remarks were a great start and demonstrated a tremendous shift in the thinking that has traditionally come out of the Capitol."

Markowski said he appreciated Malloy's small business property tax relief, but indicated the plan didn't go far enough. Businesses, Markowski said, would also like the business entity tax eliminated.

Meantime, leaders of unions in the State Employees Bargaining Agent Coalition (SEBAC), which represents state workers, voiced displeasure with Malloy's budget.

"The latest prescription for Connecticut's budget woes is a double-dose of arsenic," said Cindy Stretch, Southern Connecticut State University English professor. "We cut the budget for public services directly, and we threaten to further diminish public services by laying off thousands of state and municipal employees. Does anybody really think we help our struggling middle class by making sure we have fewer teachers, nurses and cops, and by making public higher education even less affordable than it is now?"

TRANSPORTATION

Republicans want \$71B in transportation spending

Senate Minority Leader Len Fasano (R-North Haven) is defending a Republican transportation plan unveiled last week against charges by Gov. Dannel P. Malloy that it doesn't spend enough.

The plan would spend at least \$1 billion annually over the next 30 years, and doesn't include tax increases or tolls, which were recommended to pay for Malloy's larger, \$100 billion, 30-year transportation overhaul.

"Just like the governor's own transportation plan, we also include a federal match that supports needed upgrades," Fasano said. "Our plan would give the state more than enough money to cover the \$66 billion worth of needed upgrades identified by the governor's own Transportation Finance Panel — all without raising taxes or implementing tolls."

According to Fasano, Malloy had criticized the plan for only spending \$37 billion on transportation spending. He said the Republican "Prioritize Progress" plan would dedicate \$71 billion to transportation over the next 30 years. This includes \$39.6 billion in state bond allocations and federal matching funds.

GOVERNMENT, POLITICS & LAW

Senate Dems propose breaks for veteran-owned businesses

Senate Democrats said they plan to introduce legislation to give additional support to veteran-owned small businesses.

They intend to introduce a bill that would give those businesses additional bidding preferences under state contracting laws and waive the first year's business entity tax for startup veteran-owned businesses.

Currently, according to a statement from Senate Democrats, when the state determines the lowest responsible qualified bidder for a state contract, it is allowed to give a 10 percent price preference for "micro-businesses" that have defined gross revenues not exceeding \$3 million.

The Senate Democrats' proposal would increase the allowable preference for veteran-owned, micro-businesses to 15 percent. To qualify for veteran-owned status, 51 percent of the ownership of a business must be held by an honorably discharged veteran. The proposal would also abolish the first year's \$250 business entity tax for startup veteran-owned businesses.

State auditors call for better fiscal training by comptroller

Ongoing errors in generally accepted accounting practices (GAAP) reporting are prompting state auditors to call for better financial training for state agencies. Liabilities and revenues were being inaccurately reported by millions of dollars, a recent audit found.

In its recommendations, the auditors said its review of statewide financial reporting identified internal control weaknesses as defined by auditing standards generally accepted in the United States. The comptroller's office did not contest the findings of the report. Errors included the Department of Correction understating contractual obligations by \$84.2 million.

EDUCATION

CT lags in high school financial literacy

The Council for Economic Education's 2016 Survey of the States shows that Connecticut's public school system has made no progress over the last several years in meeting benchmarks for financial literacy education.

According to this year's survey, by the Council for Economic Education, Connecticut continues to meet just a single benchmark — inclusion of personal finance in its K-12 education standards. It misses on four other measures including requiring a high school course in personal finance and requiring students to take it, and having standardized testing on the subject.

ENERGY & UTILITIES

Industry group: CT ranks 31st in grid modernization

Connecticut needs to do more to be a leading state in "grid modernization," according to an industry group of utilities, suppliers, service providers and others.

The GridWise Alliance said in a recent report that Connecticut ranks 31st in the country when it comes to implementation of smart meters, peak pricing structures, cybersecurity planning and other efforts.

GridWise's ranking assessed states' planning requirements, rate structures and data collection, and deployment of new technologies.

In those three subcategories, Connecticut ranked 18th, 39th and 30th, respectively.

GridWise docked Connecticut points because of a lack of advanced electricity metering and granular data collection.

EDUCATION



Quinnipiac University President John Lahey (left) presents a \$400,000 check to North Haven First Selectman Michael Freda.

Quinnipiac makes \$400K payment to North Haven

Quinnipiac University made a voluntary payment of \$400,000 to the town of North Haven last week, a move that signifies a stronger bond with the town where the school has moved a lot of its resources in recent years.

The payment represents 40 percent or \$260,000 of the revenue North Haven receives from the state of Connecticut's Payment in Lieu of Taxes (PILOT) and Pequot Fund allocation, attributable to Quinnipiac, which is a not-for-profit institution and therefore exempt from paying property tax. In addition, Quinnipiac will give another \$140,000 that will be used for outdoor lighting for the North Haven girls' softball program.

Quinnipiac University President John L. Lahey said in a statement the voluntary payment represents "an affirmation" of the university's ongoing support and appreciation of the town's support of Quinnipiac.

Quinnipiac and its hometown of Hamden have an ongoing dispute over various issues. The problem, Leahy has said, is with "a handful" of Hamden town officials — including those in the land-use departments — who don't want the university to buy more property.

OUTDOOR & SPORTS

Eversource extends Hartford Marathon sponsorship

Eversource has announced the extension of its title sponsorship of the Eversource Hartford Marathon and Half Marathon through 2019.

This year's Oct. 8 race will be the third year of Eversource's sponsorship.

Neither the Hartford Marathon Foundation nor Eversource disclosed the sponsorship's financial details.

Race organizers say last year's event had an economic impact of \$13.6 million. According to a report by Witan Intelligence Inc., approximately 67,000 spectators, participants and volunteers visited the Hartford area for the race, spending money on lodging, shopping and dining.

REAL ESTATE

Gr. Htfd. in top 10 for home depreciation

The Hartford metro area is in the top 10 for percentage of homes depreciating in price. It ranks fourth nationwide among the top 150 metropolitan areas.

Weiss Analytics, a Massachusetts firm that tracks real estate prices, said in a report that 41.2 percent of the homes in the Hartford-East Hartford-West Hartford metro area decreased in value in Nov. 2015. That was relatively unchanged from the Nov. 2014 figure of 40.8 percent.

In its report, Weiss Analytics said the percentage of U.S. homes gaining value fell again in November. Only 57.9 percent of homes are now appreciating, down from 59.4 percent in September and 6.4 percentage points below the percent of houses appreciating in Nov. 2014.

Reno, Nevada was the top market for appreciation in November with 85.8 percent homes increasing in value.

WHAT'S AHEAD:

- 2/15 Focus: **Advertising, Media, Marketing**
- The List: **News Media Organizations**
- Nonprofit Profile: **University of St. Joseph**

CALENDAR

THURSDAY, MARCH 10

Big Red for the Arts

The Greater Hartford Arts Council's annual Big Red for the Arts event will celebrate the organization's 45th anniversary this year and kick off its United Arts Campaign.

The event, which takes place March 10 from 6:30 p.m. to 9 p.m. at the Hartford Club, 46 Prospect St., will feature various area restaurants.

The event's featured VIP chef is Leslie Tripp, who brings 30 years of experience in fine dining. Tripp has served as the executive chef at Fresh Salt Restaurant at the Saybrook Point Inn for the past five years.

For the first time ever, the Arts Council will also feature an arts showcase at Big Red to highlight the talent and work in the community.

Cost to attend varies from \$75 to \$175.

For more information or to register go to: <https://letsgoarts.org/bigred>.

FOR A COMPLETE LIST OF GREATER HARTFORD BUSINESS EVENTS, GO TO WWW.HARTFORDBUSINESS.COM AND CLICK ON 'CALENDAR.' ALL CALENDAR ITEMS MUST BE SUBMITTED ELECTRONICALLY VIA OUR WEB SITE, HARTFORDBUSINESS.COM.



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▶ from page 1

Nonprofit media evolves

two newer sister websites, CT Viewpoints (www.ctviewpoints.org) and TrendCT (www.trendct.org), rose more than 25 percent last year. Alone, The Mirror also posted double-digit increases, but at a lesser rate than the group, he said.

"I think we've become very useful and have become a good part of the stream of good journalism that's done in Connecticut," Albert said.

Launched in 2009, the Connecticut News Project Inc., which publishes The Mirror and sister sites, reported its highest year for revenues in 2014 (\$1.2 million), according to IRS filings, and 2015 will be comparable and in the black, according to Bill Cibes, co-president of the project's board.

The Mirror's last six IRS filings showed half with revenues exceeding expenses, including a \$331,735 margin in fiscal 2014. The three prior years, The Mirror lost money, but early grants served as reserves helping avoid any fiscal stress, Cibes said.

"The best practice and one we try to follow — the expenses for each year are matched by the revenues for that year," Cibes said. "We've been pretty successful in following that model."

The Mirror continues to enhance its product and grow, he added.

"We started off with the intent to engage the citizenry of Connecticut with journalism that matters and we continue to do that," Cibes said, noting increasing readership, reach and influence as other media pick up Mirror stories.

A key question that remains, however, is longevity. Nonprofit news sites, which have grown in number across the U.S. in recent years, face the stiff task of finding revenue opportunities beyond just grants, which account for a majority of their budgets but also can be fleeting.

A 2013 study by the Pew Research Center said many nonprofit news organizations were working to diversify their revenue streams, but were struggling to find the time or resources to do it with such limited staff.

Cibes said about 5 percent of The Mirror's revenues come from syndication fees charged to other media that use its content; 5 percent from advertising; 10 percent from individual donations; 10 to 15 percent from sponsorships; and the rest from grants.

Nonprofit radio

Jerry Franklin, president and CEO of Connecticut Public Broadcasting Network (www.cpb.org), the parent company of Connecticut Public Television and WNPR, also is optimistic about the future.

"Business is booming for us," Franklin said, citing double-digit audience growth last year and strong revenue gains. The nonprofit reported \$19.6 million in revenue in fiscal 2014, up 8 percent from a year earlier. Its \$1.4-million margin was largely flat from 2013.

The audience growth includes the combined operations of radio, online, "What's On!" magazine supplement and

CPTV, which includes CPTVKids, CPTV Sports and CPTV4u.

"And much of the audience growth ... came from our news focus, whether it's John [Dankosky] or Colin [McEnroe's] show or Faith [Middleton's] foodie followers," he said. "We've made a conscious effort to continue to invest in journalism here."

"We clearly are trying to take advantage of what some of the commercial stations are not doing," Franklin said. "When I first came to town 30 years ago, there were several radio stations with a really robust local news team and we know what's happened to those stations — they're no longer doing local Connecticut news, but we're trying to fill that void."

The newspaper industry has been hit, too, said Franklin, who reads four papers a day and is a strong proponent of their importance in society.

"People are still hungry in Connecticut for real news, unbiased ... as much as humanly possible unbiased news," he said. "Yes, we have a good product, but we are trying to take advantage of some of the weakness in the marketplace."

CPBN is serious about nonprofit journalism in the state, he said, noting investments locally in the news product and CPBN's plan to expand its reach beyond the Hartford-New Haven marketplace.

CPBN is working to open an innovation center in South Norwalk that will include a news bureau. Helping support that bureau and CPBN's other community engagement there will be South Norwalk-based Palace Productions, a for-profit company CPBN acquired last year, creating a joint venture called Palace Productions MediaVision. The new company offers strategic marketing communications, design and media production services to businesses.

Revenue from Palace will help pay the rent for the South Norwalk location and support CPBN's community engagement, which includes the news, plus education and veterans training programs.

CPBN also is forming an association with the Stamford Innovation Center to develop the South Norwalk Center for Innovation, essentially an incubation space for individuals or startup companies who could "live" with CPBN and receive administrative support, graphics services and the like, in return for a piece of equity in the company. As those companies become profitable, profits would be invested into CPBN community engagement in the area, including the news, Franklin said.

The center, which Franklin hopes to open in summer or early fall, would help the economy by growing new companies while helping support CPBN's mission and expand and strengthen its ties in the state. He believes the model is a first in his industry.

"Public media's had 50 years now, in some markets 60 years, of developing a rapport, developing a reputation, so people trust us and we take that very seriously and since we don't have profit demands on us, a good year for us is break-even," he said.

The founder

Paul Bass is the founder and editor of the New Haven Independent (www.newhavenindependent.org), an

Continued on page 10

CT Nonprofit News Organization's Financial Health

REVENUES

	2009	2010	2011	2012	2013	2014
Connecticut News Project*	\$605,995	\$849,744	\$892,071	\$758,254	\$806,305	\$1,166,590
Connecticut Public Broadcasting Network			\$20,185,334	\$20,729,699	\$18,138,194	\$19,636,482

MARGINS

	2009	2010	2011	2012	2013	2014
Connecticut News Project	\$453,188	\$107,814	\$(8,339)	\$(181,681)	\$(177,212)	\$331,735
Connecticut Public Broadcasting Network			\$2,275,577	\$954,620	\$1,359,075	\$1,372,295

*CT NEWS PROJECT IS THE NONPROFIT PARENT OF THE CONNECTICUT MIRROR AND ITS SISTER WEBSITES.

SOURCE: GUIDESTAR 990 IRS TAX FILINGS

Q&A

Merger aims to give nonprofits louder, sustainable voice

Q&A talks with Jeffrey Walter, interim CEO of the Connecticut Community Nonprofit Alliance.

Q: The Connecticut Association of Nonprofits (CT Nonprofits) and the Connecticut Community Providers Association (CCPA) have agreed to a merger of the two organizations, to create a new 600-member group called CT Community Nonprofit Alliance (CT Nonprofit Alliance). Why was the merger necessary?

A: CCPA and CT Nonprofits have represented a wide range of nonprofit organizations for more than 35 years. Connecticut's nonprofits have always battled for adequate state funding. But with the 2008 recession and slow economic recovery, there is even more pressure today to stretch limited state dollars. As the CT Nonprofit Alliance, our collective voices will be stronger and more effective, advocating for funding, policies and supporting best business practices.

Q: One of the organization's stated goals is to maximize limited state dollars. Given that Gov. Malloy has proposed \$570 million in funding cuts in fiscal 2017, what are some of the goals of your group when it comes to funding?

A: Advocacy in support of state funding will be a priority for CT Nonprofit Alliance. Our state funded members constantly worry that their funding will be cut. CT Nonprofit Alliance strives to be a louder, more effective voice for nonprofits. The more policymakers see the impact of state spending on the individuals and families who rely on nonprofits, the better decisions they can make.

We have been successful in recent years in preserving bare-bones funding for critical health and human services. Our goal is to protect that funding in the short term, and to work with the state to support and expand more cost-effective services in the long term.

Q: Besides funding, which is the 800-pound gorilla of course, what other issues might you be tackling in the upcoming session?

1. Contract reform: Connecticut is the second worst in the nation for imposing needlessly complex

contract-reporting requirements. Additionally, we're third worst for changing contracts in mid-stream, and sixth worst when it comes to the state not covering the full cost of contracted services.

2. Institutional care versus best-practice care: There is mounting evidence that outcomes for individuals living in community settings are better than for those in institutions.

We need to explore options that are in the best interests of these populations and also save taxpayers money.

3. The Governor's Second Chance Initiative: We laud the governor's leadership to recognize that successful re-entry into society is a moral obligation of our state.

However, critical community support services for these individuals must be protected in the state budget or the initiative's success will be jeopardized.

4. Pursuit of the Massachusetts model to fund the cost of services with a focus on the reality of the cost of living: Chapter 257 is the law in Massachusetts that requires the state to determine and pay nonprofits the true costs of delivering health and human services after decades of chronic underfunding. This landmark legislation could be replicated in Connecticut and would establish a path to sustainability, if not prosperity, for our nonprofits.

Q: The mission of the new organization will be to advocate and build capacity for community-based, nonprofit organizations. Given your size, is there a risk that groups within the organization may be working against each other on certain issues?

A: Our combined work has long reflected a need to advocate for issues that our members have in common and to understand and navigate those that are different. That is the challenge of any association, and it will continue to be part of the work of CT Nonprofit Alliance.

Nonprofits, collectively, are significant players in the state economy. With such a large membership, we are now in a much stronger place to give voice to the sector as a whole and be heard.



JEFFREY WALTER

Interim CEO,
Connecticut
Community
Nonprofit Alliance



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Largest independent private foundations serving Greater Hartford

(Ranked by assets for fiscal year 2014)

Rank	Foundation	Assets	Revenue/ expenses	Top executive/ title	Year founded
1	Connecticut Health Foundation Inc. 100 Pearl St., Hartford, CT 06103 860-724-1580; www.cthealth.org	\$109,668,949	\$13,712,453 \$6,056,424	Patricia Baker President & CEO	1999
2	American Savings Foundation Inc. 185 Main St., New Britain, CT 06051 860-827-2556; www.asfdn.org	\$85,764,593	\$4,445,964 \$4,597,631	David Davison President & CEO	1995
3	The Donaghue Medical Research Foundation 18 N. Main St., West Hartford, CT 06107 860-521-9011; www.donaghue.org	\$70,292,391	\$3,892,060 \$2,329,179	Lynne Garner President & trustee	1991
4	The Maximilian E. and Marion O. Hoffman Foundation Inc. 970 Farmington Ave., West Hartford, CT 06107 860-521-2949; NA	\$65,203,294	\$8,353,629 \$3,722,009	Marion Barrak President & director	1986
5	Say Yes To Education Inc. 1 State St., 20th Floor, Hartford, CT 06103 860-240-8900; www.sayyestoeducation.org	\$50,968,043	\$17,903,785 \$8,680,620	Mary-Anne Schmitt Carey President	1990
6	Twenty-seven Foundation 99 Founders Plaza, 5th Floor, East Hartford, CT 06108 860-244-4889; NA	\$50,152,218	\$4,667,557 \$2,616,708	D. Travis Engen Trustee	2008
7	SBM Charitable Foundation Inc. 935 Main St., Manchester, CT 06040 860-533-0355; www.sbmfoundation.org	\$38,807,552	\$1,435,412 \$3,526,535	Doreen Downham Executive director	2000
8	The Zachs Family Foundation Inc. 40 Woodland St., Hartford, CT 06105 860-727-5733; NA	\$25,128,670	\$10,660,077 \$1,184,443	Henry M. Zachs President	1987
9	Daniell Family Foundation Inc. 2 Barnard Lane, Bloomfield, CT 06002 860-242-8844; NA	\$23,544,453	\$1,116,411 \$1,046,065	Barbara E. Daniell President & director	2010
10	J. Walton Bissell Foundation Inc. P.O. Box 370067, West Hartford, CT 06137 860-586-8201; NA	\$23,307,244	\$1,751,246 \$1,213,438	Sarah D. Anthony President & CEO	2004
11	Ensworth Charitable Foundation 200 Glastonbury Blvd., Suite 200, Glastonbury, CT 06033 860-657-7015; www.bankofamerica.com/grantmaking	\$23,023,603	\$2,225,386 \$1,162,901	Carmen Britt Sr. philanthropic relationship manager U.S. Trust, Bank of America NA	1948
12	Robert and Clara Patterson Trust (1) 99 Founders Plaza, 5th Floor, East Hartford, CT 06108 888-886-3275; www.bankofamerica.com/grantmaking	\$21,104,791	\$1,855,719 \$1,097,045	Carmen Britt Sr. philanthropic relationship manager U.S. Trust, Bank of America NA	1980
13	Jeffrey P. Ossen Family Foundation P.O. Box 291, North Windham, CT 06256 860-942-2507; www.jeffreypoissen.org	\$18,750,892	\$1,904,417 \$1,032,522	Eileen M. Ossen Trustee	2008
14	Andrew J. & Joyce D. Mandell Family Foundation Inc. 240 Hartford Ave., Newington, CT 06111 860-666-0399; NA	\$18,321,352	\$2,632,671 \$1,460,831	Joyce D. Mandell President	1984
15	Larsen Fund P.O. Box 271677, West Hartford, CT 06127 860-286-0549; NA	\$18,063,259	\$1,972,225 \$1,305,083	Todd H. Larsen President	1941
16	The Fund for Greater Hartford 75 Charter Oak Ave., Hartford, CT 06106 860-232-3113; www.fundforgreaterhartford.org	\$17,436,575	\$1,053,250 \$971,162	Nina Elgo President	1980
17	The William and Alice Mortensen Foundation P.O. Box 230212, Hartford, CT 06123 860-461-7927; NA	\$15,741,223	\$1,162,990 \$962,445	Alfred V. Covello President	1982
18	Lawson Valentine Foundation 1000 Farmington Ave., West Hartford, CT 06017 860-570-0728; NA	\$13,577,022	\$825,686 \$823,831	Valentine Doyle Trustee	1986
19	John and Kelly Hartman Foundation (2) P.O. Box 271820, West Hartford, CT 06127 860-313-4930; NA	\$13,373,053	\$380,137 \$626,766	Paul L. Bourdeau Trustee	2010

Sources: Guidestar, a 501(3)c that collects and presents 990 forms for IRS-registered nonprofits and individual foundations.
(1) Data are from fiscal year ending Jan. 31, 2015.
(2) Data are from fiscal year ending Mar. 31, 2015.
—Compiled by Heide Martin.

To view the full list, please visit HartfordBusiness.com

Nonprofit News

online news site launched in 2005 that is part of the Online Journalism Project, a nonprofit he founded promoting professional, “hyperlocal” news sites online. Its funded through grants, sponsorships and donations.

The project has gone on to help launch sites that include the Branford Eagle (www.newhavenindependent.org/index.php/branford/) in 2006 and Valley Independent Sentinel (www.valley.newhavenindependent.org) in 2009, covering the lower Naugatuck Valley.

Last August, the Independent launched a nonprofit community radio station in New Haven, WNHH, a low-power FM station at 103.5 that shares Independent news, staff and its newsroom, and is available in formats that include on-air, streaming on the web and podcasts. The station also is a partnership with the Spanish paper La Voz, which shares an office with the Independent.

His site gets about 150,000 unique visitors a month and Bass sees radio as helping fuel growth.

“We’re not looking for fast big growth, it’s

always been a steady march,” Bass said. “We care more about the difference we make than the metrics.”

Doug Hardy, business manager for the online site CTNewsJunkie.com and partner in the site with his wife and editor, Christine Stuart, who bought the site in 2006 (a year after its launch), credits the Online Journalism Project and Bass for their early support of NewJunkie, which is for-profit.

CTNewsJunkie’s coverage includes state politics, public policy, courts and health care, and averages just less than 200,000 page

views a month and about 50,000 unique visitors a month, Hardy said.

It didn’t sell an advertisement until it began emailing a weekly newsletter about eight years ago, he said. It also sells its content, seeks voluntary subscriptions, holds reader fundraisers and sells listings in its professional directory.

“At the end of the day, the connections that you make with businesses, or foundations or other funders are really the magic button to bring in revenue,” Hardy said. “You have to make connections whether it’s for-profit or nonprofit, you still have to sell.” ■

THE LIST

Largest community foundations in Connecticut

(Ranked by assets for fiscal year 2014)

Rank	Foundation	Assets	Revenue/ expenses	Top executive/ title	Year founded
1	Hartford Foundation for Public Giving 10 Columbus Blvd., 8th Floor, Hartford, CT 06106 860-548-1888; www.hfpg.org	\$934,212,141	\$34,456,783 \$46,208,384	Linda J. Kelly President	1925
2	The Community Foundation for Greater New Haven 70 Audubon St., New Haven, CT 06510 203-777-2386; www.cfgrnh.org	\$462,998,661 (1)	\$38,420,826 (1) \$21,927,760 (1)	William W. Ginsberg President & CEO	1928
3	Jewish Community Foundation of Greater Hartford 333 Bloomfield Ave., Suite D, West Hartford, CT 06117 860-523-7460; www.jcfhartford.org	\$105,686,804	\$18,420,732 \$4,993,938	Michael Johnston President & CEO	1972
4	The Connecticut Community Foundation 43 Field St., Waterbury, CT 06702 203-753-1315; www.conncf.org	\$96,341,279	\$9,256,204 \$5,207,303	Paula Van Ness President & CEO	1923
5	Community Foundation of Northwest Connecticut Inc. 32 City Hall Ave., P.O. Box 1144, Torrington, CT 06790 860-626-1245; www.cfnwct.org	\$87,150,294	\$7,013,763 \$3,664,395	Guy Rovezzi President & CEO	1969
6	Community Foundation of Eastern Connecticut Inc. 68 Federal St., New London, CT 06320 860-442-3572; www.cfect.org	\$60,051,694	\$13,478,944 \$5,171,680	Maryam Elahi President & CEO	1983
7	Community Foundation of Greater New Britain 74A Vine St., New Britain, CT 06052 860-229-6018; www.cfgrnb.org	\$44,117,330 (2)	\$7,084,602 (2) \$1,969,212 (2)	James G. Williamson President	1941
8	Main Street Community Foundation 120 Halcyon Drive, Bristol, CT 06011 860-583-6363; www.mainstreetfoundation.org	\$37,890,746	\$3,188,769 \$1,471,346	Susan D. Sadecki President & CEO	1995
9	Community Foundation of Middlesex County Inc. 211 S. Main St., Middletown, CT 06457 860-347-0025; www.middlesexcountycf.org	\$12,327,608	\$1,317,915 \$1,193,888	Cynthia H. Clegg President & CEO	1997
10	The Community Foundation of Central Connecticut 35 Pleasant St., Suite 1E, Meriden, CT 06450 203-235-4403; www.communityfoundationcc.org	\$1,283,590 (3)	\$153,527 (3) \$30,282 (3)	John Agustyn President	1998

Sources: Foundation websites and audited financial statements or annual reports and Guidestar, a 501(c)(3) that collects and presents 990 forms for IRS-registered nonprofits. Note: Total expenses include operational expenses and grant awards.

(1) As reported in combined financial statement for The Community Foundation for Greater New Haven and affiliate, Dec. 31, 2014.
(2) As reported in combined financial statement for The Community Foundation for Greater New Britain and affiliates, Dec. 31, 2014.
(3) As reported in 2014 990 tax return form.

—Compiled by Heide Martin.

To view the full list, please visit HartfordBusiness.com

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Julie Alfin
Corporate Relations &
Business Development Director,
Mandell JCC

Julie is an Alumni of the University of Arizona, and has experience in both the corporate and non-profit fields, and has most recently worked at The Hartford Club as the Membership and Marketing Manager. Her focus is maintaining current partnerships while developing new business relationships.



Fitness Center at Saint Francis

95 Woodland St., 3rd Floor, Hartford, CT
860-714-4414 | www.mandelljcc.org/stfrancis



Kristi Kearney
Director, Mandell JCC
Fitness Center at Saint Francis

Kristi has 20+ years of experience in the fitness industry, most recently having served as Executive Director of the Downtown Hartford YMCA. She holds a Bachelor of Science degree in Physical Education and Health Fitness from Central Connecticut State University, and has a Master of Science degree in Movement Sciences from Springfield College.



Valley Sports & Community Center

310 Albany Turnpike, Canton, CT
860-693-2378 | www.mandelljcc.org/valley



Elana MacGilpin
Director, Mandell JCC Valley
Sports & Community Center

Elana has ten years of experience working at the Mandell JCC in various roles. She has created and implemented unique programs for all age groups, managed a community-wide grant initiative, and large scale events. Her experience in the Farmington Valley spans the past eight years as the Director of the Chai Center, a community center without walls, for the Jewish community in the Valley. She has a Masters in Social Work from University of Michigan and a BA from Union College.

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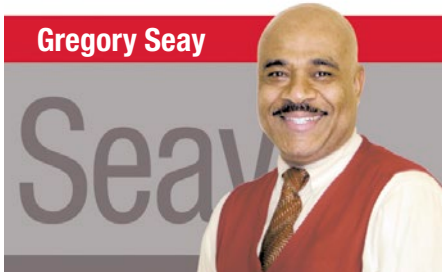
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Working on Pride's I-91 Hartford Travel Center

Gregory Seay



Limited construction is underway on the Hartford Travel Center refueling-rest stop that a Springfield convenience-store chain is erecting along I-91 northbound that now also will include a hydrogen-refueling depot.

Pride Convenience Inc. has installed the first of two pump-island canopies for Pride's first large Connecticut food and refueling rest stop for motorists and truckers, according to Pride founder Robert "Bob" Bolduc.

Pride initially confirmed its Connecticut expansion plans last August, after acquiring 6 1/2 acres from the city at the northeast corner of Jennings Road, at the I-91 interchange in the city's North Meadows, for its travel center.

Bolduc said full construction, including installation of underground gasoline and diesel-fuel storage tanks, is slated to start sometime in March, with the travel center's grand opening still set for summer.

"Our goal is to be open around Fourth of July," Bolduc said.

The facility's basic lineup of amenities remains as previously planned: 16 fuel



Steelworkers erect the second of two pump-island canopies for Pride Convenience Inc.'s Hartford Travel Center, off Jennings and Leibert roads, in the North Meadows.

pumps and ample parking for passenger vehicles and tractor-trailers; a travel-center building equipped with showers and lockers for motorists; and a food court featuring Subway, a café-bakery and the "91 Grill," offering burgers and fries.

"Pride is big into food," Bolduc said.

But there is one major, new addition, he said — a hydrogen-refueling station. French industrial-gas supplier Air Liquide will erect and operate the hydrogen depot on the travel center's premises, Bolduc said. Air Liquide did not respond to requests for comment.

Pride has hired a Hartford general manager from Manchester with extensive food-service background. The travel center also still plans to employ 45-50 full- and part-time workers, most of them from Hartford to ensure staffing for the facility in inclement weather,

Bolduc said.

He said Pride is meeting soon with city officials to leverage the city's jobs-employment programs and initiatives, to corral new hires.

Pride has 32 convenience stores in western Massachusetts and northern Connecticut.

Convention center 'refresh'

The Connecticut Convention Center is undergoing an interior-exterior "refresh" after a decade of operations, to keep downtown Hartford's and the state's leading public exhibition-conference hall competitive.

The approximately \$2.5 million in upgrades are being funded from the convention center's capital-reserve account as well as some state bonding, said convention center spokeswoman Annika Deming.

Not that the 540,000-square-foot structure with covered parking is falling apart.

"For a building that's 10 years old, it's in incredibly good condition. Our associates do an incredible job maintaining the building," Deming said.

However, the facelift and expansion are necessary, she said, to compete with other U.S. cities' public exhibition-meeting spaces that

either are newer or more recently updated.

"We work in a very competitive industry, so when clients come through to site-visit three years in advance, they really expect the building to be in the same condition as when they came for their visit," Deming said.

Wallingford's R&B Ceramic Tile and Floor Covering Inc. laid new wall-to-wall carpeting throughout the facility, she said. Currently, all of the furniture in the convention center's public spaces also is being replaced.

New exterior awnings were installed by Bloomfield's Infinity Group LLC. Later this month, workers will begin assembling a permanent, indoor box-office to provide visitors with event tickets and information, Deming said. Located in the lower lobby at the south end of the convention center, completion of the box-office is set for late spring.

"It gives us an opportunity to better accommodate our public events," Deming said.

Global Design Americas, of Bethesda, Md., did the interior design.

The Capital Region Development Authority oversees the convention center, and has offices there.

Connecticut hospitality landlord-consultant The Waterford Hotel Group manages the convention center day-to-day. ■

Deal Watch wants to hear from you. E-mail it, along with contact information to: gseay@HartfordBusiness.com. Gregory Seay is the Hartford Business Journal News Editor.



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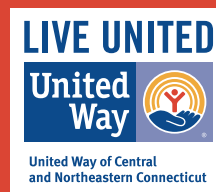
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Developers pitch five, 240MW CT clean energy projects

By Matt Pilon

mpilon@HartfordBusiness.com

Connecticut may soon source more of its clean energy from within its own borders, if newly proposed projects are successful in a unique and ongoing multi-state bidding process.

A joint procurement by Connecticut, Massachusetts and Rhode Island — the first of its kind for the states — garnered 24 bids from developers and companies for solar, wind, fuel cell and hydro projects, including five offering power that would be generated in Connecticut.

"This is good news for Connecticut's ratepayers and signals the very real potential for us to deliver a cheaper, cleaner, and more reliable energy future for residents and businesses of our state," said Department of Energy and Environmental Protection Commissioner Rob Klee, whose agency oversaw Connecticut's participation in the bidding process.

The RFP, authorized by a 2015 state law, could result in ground-mounted solar installations that are four to eight times larger than the biggest existing facilities in Connecticut. It could also boost an already approved 63.3-megawatt fuel cell park in Beacon Falls — which would be not only the largest in Connecticut, but in the world.

The proposals are a response to the scale of the RFP, which is Connecticut's largest ever for renewables, and requires a minimum project size of 20 megawatts to qualify. The three states teamed up to see if they could attract better pricing together than on their own.

Pricing data was redacted from the bid documents posted online last week. DEEP Deputy Commissioner Katie Scharf Dykes said she couldn't yet comment on the bid pricing or whether the buying-power strategy will work.

"The scale and scope of this suggest there's a lot of potential out there," Scharf Dykes said. "Some of the proposals are larger than what we've seen respond to previous RFPs."

DEEP seeks to broker power purchase agreements between utilities and generators that total as much as 4,250 gigawatt-hours of electricity per year. That's enough to power nearly 506,000 average Connecticut household utility customers for a year, out of a total 1.37 million households statewide.

CT projects

The bids contain 240 megawatts of clean energy that would be generated in Connecticut from projects that are not yet built.

The largest proposal is the Beacon Falls Energy Park, approved last month by the Connecticut Siting Council. The park would use fuel cells from Danbury's FuelCell Energy and be the biggest in the world. Owned by Torrington's O&G Industries, Beacon Falls Energy Park was the sole fuel cell bidder in the RFP.

The remaining four in-state projects are photovoltaic, including a 26-megawatt solar installation off Hopmeadow Street in Simsbury, submitted by Rhode Island-based Deepwater Wind, which is a major off-shore wind developer whose portfolio includes a 30-megawatt wind farm on Block Island that is expected to be operational this year.

The project would be housed on a 200-acre parcel near the International Skating Center. Local permits had not yet been received as of press time last week, a Simsbury official said.



S. Korea has the world's largest fuel cell park (59 megawatts, shown above) that uses cells from Danbury-based FuelCell Energy. A Connecticut developer is working with FuelCell to build a slightly larger park in Beacon Falls.

The largest solar bid pledges 44 megawatts, located in North Stonington, less than two miles from Foxwoods Resort Casino. The bidder on the \$54.6 million project is German energy company IB Vogt and Rhode Island's Energy Development Partners.

Meanwhile, Maine-based Ranger Solar submitted a bid to sell power from two proposed solar installations in Connecticut — 20 megawatts straddling Enfield and Somers and 50 megawatts straddling Brooklyn and Canterbury. All bids redacted pricing and other competitive information.

Colorado-based RES Americas and Massachusetts-based Ameresco have each proposed building 20 megawatts, in Pomfret and New Milford, respectively.

The bids, for the first time, also include related transmission projects, like Eversource's Northern Pass, which seeks to deliver hydropower from Quebec to New England.

Eversource spokeswoman Lauren Collins said if the Northern Pass bid is selected, it would be among the first delivery commitments secured by the proposed 192-mile line.

"I think the response to this RFP shows that there's great interest in developing renewable energy projects in New England and certainly a prospect like this is a good incentive to get a lot of those projects off the ground," Collins said.

The largest bids overall came from major wind players, many of which proposed bundling the power — and sometimes new transmission — from several projects in Maine and elsewhere. The companies include Nextera, EDP Renewables, SunEdison and Iberdrola, which recently acquired United Illuminating parent UIL Holdings.

Overall, the bids total several thousand megawatts. Several bids contain power from the same wind farms, complicating a more precise calculation.

Bidders are hoping to win power purchase agreements (PPAs) with utility companies, which for many would make projects financially viable.

DEEP expects to select winning bidders between April 26 and July 26. Power purchase contracts and regulatory approvals could take the process through year's end.

It could take up to four years for some of the projects to come online.

DEEP plans to issue two more RFPs this month, both of which are only for Connecticut. The first is for smaller-scale renewables up to 20 megawatts and the second is for natural gas pipeline capacity, according to Dykes.

In-state struggle

To meet its environmental green goals, Connecticut has had to buy much of its renewable energy from biomass plants in New Hampshire and Vermont, and wind from Maine. That means other New England states have reaped more of the economic benefits of construction and taxes.

In 2010, in-state renewables comprised just 11 percent of the state's overall renewables procurement. There has been progress since then. Residential and commercial incentives and the evolution of the Connecticut Green Bank — which leverages private financing to spur renewable projects — helped contribute to a 10-fold increase in in-state renewables between 2010 and 2014, according to DEEP.

The agency is slowly phasing down ratepayer investments in dirtier biomass plants over the next decade.

Connecticut is the third smallest state by area, but has the fourth highest population density, making it difficult to site large wind projects, as evidenced by the multi-year legal battle that eventually led to the approval of several turbines in Colebrook — the first commercial wind farm in the state.

Gov. Dannel Malloy pledged in December that Connecticut would reduce its greenhouse gas emissions by as much as 95 percent below 1990 levels by 2050.

The state's Renewable Portfolio Standard, created in 1998, has spurred development, mandating that utilities and suppliers purchase an increasing amount of their electric load from renewable sources.

REPORTER'S NOTEBOOK



LAZ Parking's Main Street parking lot downtown.

Stilts Building owner pursues parking, shared-office ventures

Owners of downtown Hartford's Stilts Building and LAZ Parking are teaming up to expand surface-parking options for the 20 Church St. office tower's tenants and others.

Benjamin Schlossberg, a managing member in Shelbourne Global Solutions LLC, owner of 20 Church St./Stilts, said Shelbourne and LAZ formed a strategic partnership to acquire and operate the surface lot across the street, at 1000 Main St. That parcel also just happens to overlook the minor-league baseball stadium under construction. Financial terms weren't disclosed.

The goal, Schlossberg said, is more parking for Stilts' tenants in addition to the building's on-site garage spaces. The partnership also expands Shelbourne's realty holdings in the central business district, he said.

More parking for 20 Church tenants is necessary, Schlossberg said, because Shelbourne intends to launch in the second quarter of this year a "shared co-working office space" concept modeled closely after WeWork Companies Inc. and other U.S. office-sharing ventures. The shared-work spaces would occupy space that once housed broadcast and other operations for WTIC-TV Channel 61, now located at 285 Broad St.

Other partners eventually will be involved in the Hartford shared-office venture, but Schlossberg declined to identify them. LAZ founder-CEO Alan Lazowski did not respond to a request for comment.

Shelbourne acquired a majority stake in 20 Church, and later purchased the nearby 100 Pearl St. office tower for around \$81 million.

— Gregory Seay

777 Main owner appeals \$474,425 MDC bill

The landlord-owner of the converted office-to-apartments tower 777 Main St. in downtown Hartford is asking a state court to revoke a \$474,425 extra assessment imposed by the regional water-sewer provider.


Fairfield architect-developer Bruce Becker filed his appeal in Hartford Superior Court on Jan. 12, weeks after The Metropolitan District Commission in December upheld its assessment bills of \$1,655 for each of 777 Main's 285 apartment units, court papers show.

MDC said it will "vigorously defend" its 1995 ordinance that any building in its service territory that is converted to a new or expanded use is subject to the water-sewer connection assessment.

In his appeal, Becker continues to insist that nothing about the conversion of the former regional offices for Bank of America constituted "new construction," which he interprets as the sole basis for imposing the assessment.

Becker, who declined comment beyond his filing, also insists in court papers that MDC's assessment violates the "fair and reasonable" standards set forth under Connecticut statutes.

— Gregory Seay



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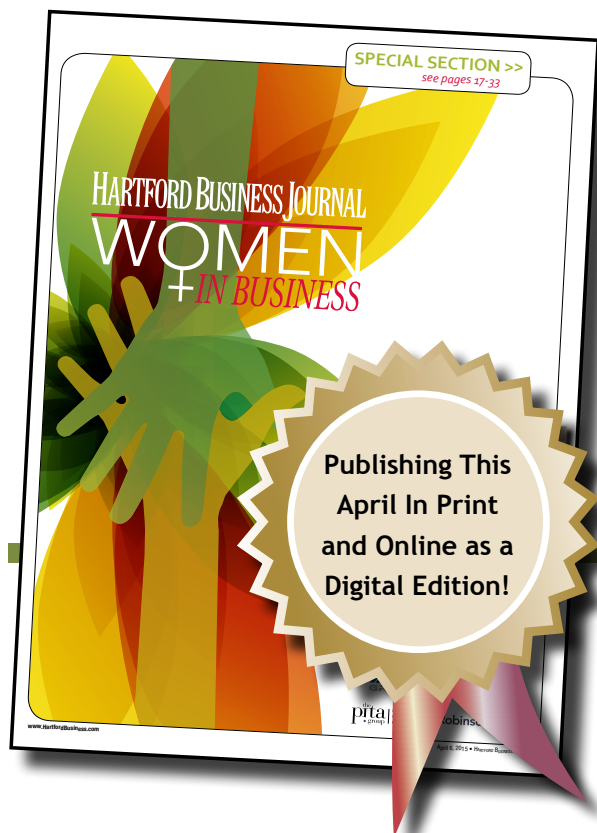
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Earned a Ph.D. in economics from Yale University.



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from page 1

Recruiting push

Though CI has used investments to lure seven companies to Connecticut from other states — mainly Massachusetts and New York — it's the first time in its 27-year history that it has expanded its aspirations beyond U.S. borders, CEO Matthew McCooe confirmed in an interview.

"CI has not had an international focus until now," McCooe said. "This is a point in time where we can do some big things."

CI's new contest is part of broader efforts by the state, MetroHartford Alliance, and other business groups to attract foreign companies as competition intensifies between states to woo businesses in and outside the U.S. Boston's decision to provide up to \$145 million in loans, grants and tax abatements for Fairfield-based General Electric to move its headquarters to the Bay State reflects just how far cities and states are willing to go to compete for jobs.

Breaking down the contest

CI's dual mission is to make a return on its investments and to create jobs in Connecticut.

The contest aims to boost CI's deal flow and raise Connecticut's profile among foreign companies, particularly those in the financial and healthcare technology spaces, which are "sweet-spot" sectors featured prominently in CI's portfolio, McCooe said.

Besides being deemed worthy of investment by CI, foreign and domestic contestants (the challenge will be open to both) would be required to establish or move their U.S. headquarters to Connecticut in order to collect any prize capital, McCooe said.

"We really want to get the CTO, the brilliant young engineer from Moscow or Tel Aviv or Munich who is willing to uproot his family and take a risk and come to the U.S.," he said.

Convincing a foreign entrepreneur to make that leap will require not just capital, but also showing him or her that there's a large enough customer base and workforce in the area to make it worth it, he added.

CI has allocated \$300,000 from its current year budget to organize and promote the challenge, and has hired a consultant to start doing legwork in Munich, London and beyond. It plans to award several million dollars in equity and debt investments to winners.

McCooe said he wants both the winning companies and the state to benefit, which means making sure the winner is an investment-worthy company.

Venture contests can draw interest from companies that may have exhausted their funding possibilities elsewhere, so McCooe said he is wary of adverse selection.

"We don't want to be a funder of last resort," he said. "The point is really making

sure we're attracting the best companies."

CI is leveraging the expertise of the state Department of Economic and Community Development (DECD), which built up numerous contacts in its foreign-trade trips over the years.

A spokesman for DECD said the agency is "actively supporting" CI's new program, but that it was too early to discuss specifics.

CI has also tapped into expertise at the MetroHartford Alliance, which has worked with the Jewish Federation of Greater Hartford to build relationships with Israeli companies over the past five years.

Those two organizations will host their annual "innovation showcase" in May, which last year was held at UConn Health in Farmington and featured presentations from four Israeli companies in the medical technology field.

Rebecca Nolan, vice president of business development at MetroHartford Alliance, said having CI join the foreign recruitment efforts already underway in the state should be a positive. She said promising startups often don't have the funds to tap into loans or investments that would allow them to relocate — which is what the CI contest will require.

"It adds another layer of opportunity," Nolan said. "This is another tool we can use to have companies take a look at Connecticut."

Trans-Atlantic flight

Connecticut's economic development brass will have another tool in their international recruitment war chest when Aer Lingus begins its trans-Atlantic flight from Bradley Airport to Dublin, Ireland in September. The flight, Nolan said, will make it easier for foreign companies to travel to and from Connecticut since Dublin is a hub for departures and arrivals to many other countries.

The Aer Lingus flights will offer passengers an option to clear customs in Ireland instead of when they land in Windsor Locks. Bradley hasn't had a trans-Atlantic flight since Delta pulled its nonstop Amsterdam service nearly seven years ago.

"We want to make this flight successful," Nolan said. So does state government, which has promised Aer Lingus as much as \$9 million in revenue guarantees for its first two years of service.

Besides its impending global focus, Rocky Hill-based CI is also simultaneously trying to ensure that it's serving all of Connecticut, said McCooe, who last month set up an office in Fairfield County to better connect with companies in the state's wealthiest region — where many of CI's past deals have originated.

"I want CI to be more statewide," he said. ■



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Cantor Colburn promotes associates

The Hartford office of intellectual property law firm Cantor Colburn LLP has promoted four attorneys from associate to counsel: **Amy Bizon-Copp**, **Grant Ehrlich**, **Nicholas Geiger** and **James Wimpe**.

Bizon-Copp concentrates on drafting and prosecuting patents for a major Korean electronics company and various midsize domestic and foreign companies, with respect to the U.S. Patent and Trademark Office and foreign patent offices. Prior to joining the firm, Bizon-Copp managed regulatory and compliance activities for medical and aerospace manufacturers.

Ehrlich supports a range of technology-based companies. He has drafted and prosecuted patents and has prepared non-infringement, invalidity, and freedom-to-operate opinions in myriad fields. His past includes engineering experience at Pratt & Whitney and UTC Fuel Cells.

Geiger has experience litigating patent and trademark infringement cases, as well as false advertising, false marking, trade secret and unfair trade practice matters.

Wimpe concentrates on patent application preparation and prosecution in a wide array of mechanical and electrical technology areas. Prior to joining Cantor Colburn in 2006, Wimpe had 15 years of engineering experience in aerospace and automotive design and in manufacturing.

Outthink announces hires for CFO, three other positions

Essex-based Outthink, a marketing communications firm, has hired **Jessica Bryk** as junior copywriter, **Tracey Jacey** as chief financial officer, **Ryan Lee** to head its interactive marketing team and **Elizabeth Ormiston** to augment the firm's new-business efforts.

Most recently, Bryk was a marketing coordinator at A/Z Corp. in North Stonington, specializing in internal and external communications for the construction firm.

Jacey will lead accounting, finance and human resources and brings more than 25 years of experience in financial management, strategic planning and human resources. Jacey previously was the divisional controller at Dealertrack Technologies Inc. in Groton.

Lee will work with clients to create interactive strategies across websites, mobile and other digital platforms. He previously led a team that helped build the Mohegan Sun brand through the MoheganSun.com and MoheganSunPocono.com websites. He also over-

saw mobile applications and email marketing efforts.

Ormiston previously was a marketing consultant working with clients in industries that included food, ski resort real estate and education.

Shipman & Goodwin names partners

Vincenzo Carannante and **Jessica L. Ritter** have been named partners at Shipman & Goodwin LLP in Hartford.

Carannante is a member of the firm's health law practice group, where he represents a variety of healthcare facilities and providers on state and federal healthcare regulatory and business matters.

Ritter represents boards of education in general and special education cases, and labor disputes and employment litigation arising in education.

Savings Institute Bank & Trust names new branch managers

Willimantic-based Savings Institute Bank & Trust announced that **Elizabeth Williams** and **Maryann Gorgone** joined the bank as branch managers.

Williams joined in October as manager of the North Windham branch located inside Walmart. She comes to the bank with 10 years of banking experience, most recently as branch service manager of First Niagara Bank in Putnam.

Gorgone joined in October as manager of the West Main branch located inside PriceRite in Willimantic. Prior to joining Savings Institute Bank & Trust, she worked as a customer service representative, and most recently, assistant branch manager for Metro Bank in Lancaster, Pa.

Innovatient Solutions hires sr. execs

Hartford health tech firm Innovatient Solutions Inc. has named **Henry Schaffer** as chief financial officer and **Ed Kenney** as vice president of marketing. Schaffer will manage Innovatient's financial and administrative functions and has more than 20 years of management experience focusing on early-stage, high-tech and retail firms. He was recently executive vice president and CFO for InSite One Inc., a healthcare firm in Connecticut acquired by Dell in 2010.

Kenney joins Innovatient with more than 25 years of marketing, business development, channel distribution and sales leadership experience. He was co-founder and chief marketing officer of Advanced Imaging Concepts, which was acquired by Allscripts.

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Total Assets	\$61,904,654	\$64,529,077
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REVENUES

Contributions & Grants	\$6,752,416	\$7,617,337
Program Service Revenue	\$10,641,938	\$12,585,233
Investment Income	\$399,369	\$908,590
Other	(\$9,215)	\$0
TOTAL	\$17,784,508	\$21,111,160

EXPENSES

Grants	\$0	\$0
Member Benefits	\$0	\$0
Salaries/Employee Benefits	\$5,952,556	\$6,246,913
Fundraising Fees	\$0	\$52,150
Other	\$11,025,044	\$12,509,226
TOTAL	\$16,977,600	\$18,808,289
MARGIN	\$806,908	\$2,302,871

TOP PAID EXECUTIVES (FY 2014)

	Base Salary	Total Compensation & Benefits
David Fay , President & CEO	\$374,521	\$400,601
Ronna Reynolds , EVP	\$217,829	\$255,383
Elizabeth Ray , VP Programming	\$124,998	\$144,124

SOURCE: GUIDESTAR IRS 990 TAX FORM



Members of the **Bloomfield Rotary** were on hand for a tarp raising over the **Mushroom Barn** in Bloomfield, presenting the nonprofit farm with a **\$5,000** donation to support the "Save the Shrooms" restoration project. The Mushroom Barn is the only known hollow clay tile barn in Connecticut and is listed on the National Historic Register due to its unusual shape, purpose and building materials. Pictured (from left) are Dale Bertoldi, Mark Weisman, Jack Hasegawa, Jonathan Hochman, Hans Kilbourn and Norman Famely.

Girl Scouts of Connecticut has received a **\$40,000** grant from **Travelers** in support of its program, College Pathways. College Pathways, which serves around 130 girls in Hartford, is a program that encourages educational and career aspirations in underserved high school girls in Hartford.

Hands on Hartford will offer healthy food choices to 480 Hartford households through the community pantry program funded by a **\$25,000** grant from **Lincoln Financial Foundation**. Additionally, 305 students will receive three to four pounds of food each Friday to ensure that they have nourishment on weekends.

This is one of nine human-services grants provided by Lincoln Financial Foundation with a total contribution of \$148,000.

A **\$1,500** grant to **Hartford Stage**, awarded by **Connecticut Humanities**, will help support four free community events surrounding The Body of an American. The Connecticut Humanities award will help Hartford Stage in providing four free events coinciding with the run of the play.

The Hartford Foundation for Public Giving is accepting applications for grants of up to **\$25,000** each, through the Amiel P. Zak Public Service Fund. Between five and 10 grants will be awarded during 2016 to community-based organizations, civic associations, volunteer groups and public agencies. This year, the Hartford Foundation will also entertain one grant of up to \$40,000.

ECONOMICS
Business profile (2007)

Sector
Construction
Manufacturing
Wholesale Trade
Retail Trade
Admin, Waste Mgmt, Accommodation and Total Government

LABOR FORCE
Commuters (2011)

**Town Hall: 11 Rye Street
East Windsor, CT 06016
(860) 623-8122**

Land area (sq. miles)	26
Pop./sq. mile (2011)	426
Median age (2011)	42
Households (2011)	4,534
Median HH Inc. (2011)	\$71,310

Population (2012)	
2000	9,818
2010	10,921
2012	11,196
2020	12,543

Race/Ethnicity (2012)	
White	8,754
Black	1,160
Asian Pacific	768
Native American	34
Other/Multi-race	480
Hispanic	524

HOUSING	
Housing stock (2012)	
Existing units (total)	4,857
% single unit	61.2%
New permits auth. (2012)	19
as % existing units	0.39%
Demolitions (2012)	7
Residential sales (2011)	56
Median price	\$213,000

Top 5 Employers
Southern Auto Sales Inc.
Mulnrite Farms Inc
Walmart
Metal Improvement
Kettle Brook Care Ctr Llc

Educational attainment (2012)			
Persons age 25 or older		Town %	State %
High school graduate	3,099	38%	28%
Associate's Degree	711	9%	7%
Bachelor's or more	2,162	27%	36%

GOVERNMENT	
Government form	Selectman-Town Meeting
Total revenue (2012)	\$36,119,471
Per capita tax (2012)	\$2,381
as % of state average	92.2%
Total expenditures (2012)	\$34,054,890
Total indebtedness (2012)	\$8,262,457
as % of expenditures	24.3%
per capita	\$738
as % of state average	32.7%
Annual debt service (2012)	\$1,714,118
as % of expenditures	5.0%
Equalized net grand list (2010)	\$1,404,317,112
per capita	\$125,430
as % of state average	87%

Business profile (2013)		
Sector	Units	Employment
Construction	45	294
Manufacturing	28	724
Wholesale Trade	47	782
Retail Trade	47	864
Admin, Waste Mgmt, Remediation	43	1,415
Accommodation and Food Services	42	707
Total Government	16	564

Commuters (2011)			
Commuters into town from:			
Enfield	908	Manchester	297
East Windsor	614	East Hartford	286
Hartford	405	South Windsor	227
Windsor Locks	387	Vernon	222
Windsor	315		

Labor Force (Residence)	6,592
Employed	6,103
Unemployed	489
Unemployment Rate	7.4%

Place of Work (2013)	
# of units	441
Total Employment	7,072
Manufacturing Employment	724

TOP 5 GRAND LIST		
Company	Amount	% of Net
Southern Auto Sales	\$22.2M	2.4%
Walmart Stores East LP	\$21.2M	2.3%
The Mansions at Canyon Ridge	\$19.3M	2.1%
Milpond LP	\$15.4M	1.7%
Blue Dog Properties Trust	\$10.9M	1.2%

Source: Connecticut Economic Resource Center, www.cerc.com


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HARTFORD BUSINESS JOURNAL

Best Places TO WORK IN CT 2016

Meet the companies that excel above the rest!



Who will rank #1?
Find out on
March 23rd!

Reserve *your* seat at this Hartford Business Journal networking event!

WED. March 23, 2016
5:30 pm - 9:00 pm

Farmington Gardens
999 Farmington Avenue,
Farmington, CT, 06032

Enjoy dinner, networking opportunities and a fun social evening as the winners all gather to celebrate the Best Places to Work in CT and find out who will rank #1!

TICKETS: For tickets, contact Amy Orsini at aorsini@HartfordBusiness.com or 860-236-9998 ext. 134 or go to HartfordBusiness.com and click on "our Events"

\$85 each
\$940 per table of 12

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EDITORIAL

GE's departure may be CT's saving grace

General Electric's decision to move its headquarters out of Connecticut was viewed as a crisis by many, signaling the state's continued demise as a place to do business. In reality, GE's move could be Connecticut's saving grace. Yes, losing a corporate headquarters bruises our state's ego and will cost us at least a few hundred jobs. But it may have provided the necessary tipping point pushing legislators to truly reform state government, or at least curb their insatiable spending habits that have forced two record-breaking tax increases in the last six years.

Last week, Gov. Dannel P. Malloy proposed a revised \$19.87 billion budget for fiscal 2017, which included nearly \$570 million in cuts to the general fund. Reductions are being proposed to sacred cows such as municipal aid and state-employee ranks. There was also minor business tax relief with the elimination of the personal property tax for companies with less than \$10,000 worth of property.

Just as important, Malloy has pitched structural reforms, like the adoption of zero-based budgeting that matches spending increases to economic growth rates rather than what lawmakers hope to be able to spend (currently the budget assumes 5 percent annual growth in expenditures). He also asked lawmakers to join him in addressing Connecticut's unfunded-pension obligations, which stand to cost the state billions of dollars more annually in the future, potentially blowing a devastating hole in the budget. Malloy, state Comptroller Kevin Lembo, and state Treasurer Denise Nappier have all pitched pension-reform blueprints.

We urge all three to develop a plan that can garner labor-union and legislative support. The sooner Connecticut tames this ticking time bomb, the better.

Malloy has finally proposed a budget that begins to reflect our true economic realities. For that, we give him credit. But that doesn't mean we're fully on board with the plan.

In a major policy shift, Malloy wants to change the way state agencies are funded, providing them block grants instead of line-item funding that appropriates specific dollar amounts for personnel, operating expenses, contractual costs, etc. The change would give agency heads — all Malloy appointees — more latitude in determining how their funding is spent, a job usually left to the state legislature. We worry this gives the executive branch too much power and provides cover to lawmakers unwilling to make tough budget decisions in an election year.

Democratic legislative leaders must also incorporate structural reforms pitched by Republicans, including adopting a constitutional spending cap with teeth (which Malloy supports), requiring legislative approval for state-labor contracts, and removing pensions from collective bargaining.

Lawmakers can no longer be handcuffed by a budget oversaturated with fixed costs, the largest being personnel expenditures that account for nearly 40 percent of spending (including state employee salaries and benefits). We don't want to eliminate state employees' collective-bargaining power, but we can't let them dictate spending priorities to the detriment of all other taxpayers either.

Now the onus is on the legislature to respond to Malloy's blueprint. We expect there to be pushback, but lawmakers must pursue aggressive spending cuts and structural budget reforms. To resist them, would leave the state vulnerable to other GE-like departures.

The business community is watching. ■

► **Malloy has finally proposed a budget that begins to reflect our true economic realities. For that we give him credit.**

RULE OF LAW

DCF a good place to start reforming state gov't

By John Horak

In Sept. 2015 a civil-rights lawsuit was filed against the commissioner of the Department of Children and Families and four others. The suit was brought by foster parents who were falsely accused of child sexual abuse — in a setting reminiscent of the hysteria that led to the Salem witch trials. The criminal case that followed DCF's charges resulted in a rapid acquittal of one parent and dropped charges as to the other. The presiding judge in the criminal proceedings noted (I paraphrase from the suit) that the DCF resisted court-ordered document production, refused to comply with reasonable subpoenas, withheld records containing "extraordinarily exculpatory evidence," and that "the brigade of social workers, educators, department of family's personnel who provided intense services" never saw any signs of physical abuse.

I am discussing this case because it is one indication among many that this large agency, whose brigade of social workers possesses the intimidating power of the government (to remove children and bring charges), is not suited for the delicate clinical task of mending broken children and families. The job requires the therapeutic equivalent of a skilled surgeon with a finely honed scalpel who can work through the gut level emotional trauma of these cases.

The government is too powerful and blunt an instrument to do the task well — which leads to the circumstances and results discussed in this editorial.

My argument: Major structural reforms are needed to fix the state's fiscal mess and the DCF is a good place to start.

The state could reduce costs and achieve better results if the person-to-person therapeutic counseling and similar tasks were delegated to community nonprofit associations under a competitive-contracting system with programmatic flexibility and accountability. The DCF would be responsible for funding, licensure and administrative functions.

First, there were families and children in Connecticut before the DCF was created in 1969, and in that era these problems were largely addressed by nonprofit associations if not by extended family. However, the 1960s were dominated by the "Great Society" movement's good faith belief that government could, with enough money and the right agencies, ameliorate if not resolve social ills — which spawned the DCF. Several Connecticut nonprofits pre-date the DCF by decades, but since 1969 they have been assimilated into the DCF's strict command and control system. I am advocating a pendulum swing to a modified version of the previous model — in which the DCF and the nonprofits would each have a vital and complementary role.



John Horak

Second, a bird's eye overview of the DCF's long-term performance demonstrates what happens when government (inevitably driven by politics) takes on tasks for which it is not suited. The DCF has 3,200 employees (it would be the state's 21st largest employer on the Hartford Business Journal's 2015 list), an operating budget of \$807 million (enough to buy 2.25 Boeing 747s each year), and a case load of 36,000 children and 16,000 families (\$50,000 per child). I am not trying to be glib, and offer these cost comparisons simply to make it easier to wrap our minds around the scale of the DCF's operations.

Nevertheless, despite the considerable expenditure of resources, the DCF has noted (on its website) that it has been "outmatched by the scope of child maltreatment in Connecticut." This is troublesome because the state's population was 3 million in 1969, and is 3.6 million today. Given the relatively modest increase in population over 45 years and the DCF's expenditures during the same period, the complaint about being overmatched appears to be an admission of failure.

An ironic possibility is that the DCF is outmatched because its efforts have unwittingly created a self-perpetuating client base — manifest in multiple generations being raised under DCF supervision. The DCF's 2013 strategic plan recognized the need to "assist families with multi-generational DCF involvement." The state's 2013 Child Fatality Review report noted that 62.5 percent of the mothers of the deceased children named in the report "had a history of DCF involvement" as children. Has the government's intervention in family matters brought us a business model in which failure brings more work in the door?

► **Has the government's intervention in family matters brought us a business model in which failure brings more work in the door?**

Another disquieting indicator is an apparent gap between perception and reality. The DCF's 2015 preliminary Foster Home Quality and Satisfaction survey states that overall "both foster parents and children placed in their homes demonstrated a relatively high satisfaction rate (85 percent) among foster children and (79 percent) among their caregivers ... suggesting the DCF is successful in providing high-quality services."

In contrast, the 2015 civil-rights suit said one of the foster children made remarks that starts as follows: "[W]hen I was a son of the state, in DCF custody, I felt like a piece of raw scrap meat that was brushed into the trash." Perhaps the truth is somewhere in the middle, but I suspect that the stark contrast reflects the DCF's need to assure legislators that money is being well spent — and given DCF's enormous power I have to wonder if the responses to the DCF's survey questions are as candid as good practice requires.

In closing, the principle behind my suggestion is simple — assign tasks to the people best suited to fulfill them. Of course, those who make their living in service to the complexity of the status quo won't see it that way. ■

John M. Horak has practiced law at Reid and Riege P.C. in Hartford since 1980. His opinions are his own.

HARTFORDBUSINESS.COM POLL

Will Gov. Malloy's \$19.87 billion budget plan help or hurt CT's economy?

- ☐ Help
- ☐ Hurt
- ☐ Minimal Impact

To vote, go online to HartfordBusiness.com.

Last week's poll results:
Will the legislature raise new revenues to balance the budget?

75.4% Yes
24.6% No

Capitalizing growth in 2016

By Ken Cook

The New Year is upon us; optimism abounds and there is usually an overriding belief that it will be a strong growth year. And as many of you know, growth can be a stern taskmaster. Growth requires more of everything, including time, resources, energy and especially money.

Every business at some point needs money, whether it is in a startup mode, financing growth, or just overcoming a rough patch. For startups, the expectation is that the financing is self-funded. Jobs and Wozniak started Apple in a garage; Gates and Allen sold computers out of their house.

The transition from self-funding to using other people's money is usually a function of proven capability matched with opportunity. It's at this juncture that many small businesses either fail or just stall out. Lack of capital is frequently cited as



Ken Cook

the cause of a business failure in this early stage.

If truth be told, it is not the lack of capital that caused the business failure. Rather, it is usually a poorly advised venture or lack of owner skills that precipitates failure. The inability to properly capitalize the business is merely a symptom.

To avoid the symptom of poor capitalization, know who you are and where you are going. Successful business owners have an understanding of financial issues and financial planning. Foundational to this is the business plan and cash flow projections. These two tools reflect historical performance (if it's an existing business), and future projections based on market knowledge.

Successful business owners know their markets and their customers. There is no guessing as to why customers buy; there is intimate knowledge of customers supported by strong relationships with those customers. Relationships and knowledge translate into increasing revenues and even more customers.

Whether starting out or whether the capital is needed to finance growth, be clear on the requirements. Know what the money is intended for, and more importantly, how the

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money will make the business more successful. Once you know this, you then can determine how much money you need.

So as you look out over the next 11 months, be clear on your goals and expectations. Clarity of thinking and planning is a very enticing characteristic for an investor. Every investor knows that their capital is a tool. The investor wants to use the tool wisely.

Investors, banks, angels or other sources of capital are not looking to fund just the entrepreneur. They are looking for two things: To fund a viable venture that is poised for growth and mobilized and driven by a capable entrepreneur.

The hope of the investor is that by funding a viable and growing venture, their capital

can be used to produce premium returns on the investment. The entrepreneur's job is to prove the case that the premium returns are not only possible, but probable.

Cash is king. Proper capitalization can drive growth. The entrepreneur's task is to prove that the growth of the business is attainable, sustainable and profitable. If that can be done, then there are sources of capital that will help that business get to the next level and make the next year very profitable and successful. ■

Ken Cook is the co-founder of How to Who and co-author of How to WHO: Selling Personified, a book and program on building business through relationships. Learn more at www.howtowho.com.

BIZ BOOKS

Creating the perfect pitch to attract capital

► **Get Backed: Craft Your Story ...** by Evan Baehr and Evan Loomis (Harvard Business Review Press, \$35).

An idea has its purpose: piquing the interest of prospective investors. But when it comes to attracting their money, the problem-and-solution facts must sell the idea. How? The authors' model to attracting investors uses a 10-stage pitch deck. What's that? It's a presentation that shows "everything that's valuable about the startup" — its vision, its team, core elements of its business model, insights into customers and how it will differentiate itself from competitors.

Tying all of these elements together requires research, thoroughness and clarity. You must also think of an investor as a customer-stakeholder. Specific topics and questions investors want answered include:

Opportunity — What are the trends and voids in your market? How will you capitalize on them? How can you scale the firm? Your answers have to show you know the market as well or better than the potential investors.

Problem — What is it? How many people feel the pain? Stories of people in pain personalize the problem and quickly take potential investors from the "opportunity" to the in-the-trenches reality of the problem's effects.

Solution and Traction — Show investors how your product solves the problem. Videos and hands-on demonstrations drive home your points.



Jim Pawlak



What evidence do you have that shows why customers would choose your solution? Your answer must include a "clear sales process to attract, educate, qualify, close, and provide after-sale service." How would that process change under rapid growth?

Business Model and Funding — What's unique about your product (e.g. ease of use, faster, cheaper, etc.) that will create space for it in the current market? Can those in the marketplace easily and quickly produce knock-offs?

How does the business make money and when will it become profitable? Your answer must deal with pricing as it affects customer acquisition and retention costs. Investors want to know about profit margin, cash flow, burn rate (i.e. how much cash you're losing each month), breakeven and specifics on how their funds will be used.

Key takeaway: "If you want advice for your startup, ask for money. If you want money, ask for advice. To succeed you will need both."

...

► **'If you want advice for your startup, ask for money. If you want money, ask for advice. To succeed you will need both.'**

► **"The Genius of Opposites: How Introverts and Extroverts Achieve Extraordinary Results Together"** by Jennifer B. Kahnweiler (Berrett-Koehler Publishers, \$17.95).

Through interviews with a number of introvert and extrovert business partners, Kahnweiler found how these seemingly oil-and-water partnerships "created something they could not have produced alone." Her working-with-opposites, give-and-take model is as simple as ABCDE:

"Accept the Alien" — You're not going to change your partner's approach. But partners can learn to understand how their perspectives and methods could mesh. It's all about constant communication. Talking about your differences identifies what each brings to the table.

"Bring on the Battles" — Initial disagreement challenges both to come up with better decisions and solutions. Why? While each sees a situation differently, both have

to remember the goal. "What works best?" trumps "my way."

"Cast the Character" — Realize that different situations require the opposites to take on certain roles.

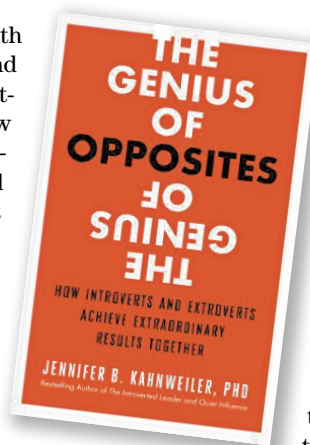
Learn to identify which situations and roles play to your opposite's best.

"Destroy the Dislike" — Think in terms of 'we', not 'I.' When there's mutual respect for what each partner has to offer, friendship develops and they can openly discuss what's going on. Also, treat "we" as a learning opportunity.

"Each Can't Offer Everything" — By sharing input and the stage, partners develop a wider range of alternatives for themselves and their clients, 1 + 1 = 3.

The bottom line: It takes two to tango; it takes two to tangle. When partners tango, they learn to share the lead. When they tangle, progress halts. ■

Jim Pawlak is a nationally syndicated book reviewer.



ACCOLADES & MORE



Pictured (from left) are: Ross Riskin, Katherine Donovan and Tessa Jordan.

OF NOTE

CPA SOCIETY NAMES NEW AND YOUNG PROFESSIONALS TO WATCH

The **Connecticut Society of CPAs** has announced its 2015 "New and Young Professionals to Watch," a select group of three young professionals, aged 35 and younger, who have set themselves apart as emerging leaders in the accounting profession. The 2015 Connecticut Society of CPAs New and Young Professionals to Watch include: **Ross A. Riskin**, CPA/PFS, CCPS of Orange; **Katherine Donovan**, CPA of Bloomfield; and **Tessa Jordan**, CPA of Hebron.

• • •



Ted DeSantos

FUSS & O'NEILL'S DESANTOS NAMED ENGINEER OF THE YEAR

Ted DeSantos has been named Transportation Engineer of the Year by the Institute of Transportation Engineers, New England Section. DeSantos is senior vice president of community development at Manchester-based Fuss & O'Neill. He is a nationally-recognized authority on the roles of smart growth and sustainable design in community development.

• • •

WHITCRAFT GROUP RECOGNIZED FOR HIGHER-ED PARTNERSHIPS

The **New England Board of Higher Education** will honor the **Whitcraft Group** with its Business Contribution to Higher Education award at the regional organization's 14th annual New England Higher Education Excellence Awards ceremony in March. Whitcraft LLC is an Eastford-based contract manufacturer of precision sheet metal fabrications and machined parts for the jet-engine industry.

The company is being recognized for partnering with advanced-manufacturing programs at Quinebaug Valley Community College, Middlesex Community College and Asnuntuck Community Colleges. The company also partners with Central Connecticut State University and the University of Connecticut in related programs.

• • •

UConn HEALTH'S CANCER CENTER DIRECTOR NAMED NAI FELLOW

Dr. Pramod K. Srivastava, director of the Carole and Ray Neag Comprehensive Cancer Center at UConn Health, has been named a fellow of the National Academy of Inventors (NAI). This distinction goes to academic inventors who have demonstrated a prolific spirit of innovation in creating or facilitating outstanding inventions that have made a tangible impact on quality of life, economic development and the welfare of society.

Please Note: All electronic submissions for Accolades should be sent to news@HartfordBusiness.com. For more information about the Hartford Business Journal's Accolades Page, please visit www.HartfordBusiness.com.

MURTHA CULLINA SUPPORTS HANDS ON HARTFORD'S HOUSING PROGRAM



Attorneys and staff from the Hartford office of Murtha Cullina LLP (shown above) supplied Hands on Hartford with a donation and 30 gift baskets of household items including laundry detergent, kitchen utensils and blankets. Hands on Hartford will use the baskets for its housing program, which provides individuals and families with safe and affordable housing and related support services.

REID AND RIEGE ADOPTS A CHRISTMAS FAMILY



The employees of Hartford law firm Reid and Riege (shown above) worked with Mercy Housing and Shelter Corp. during the 2015 holiday season to adopt a family that participates in Mercy's supportive-housing program. Employees purchased gifts from the family's "wish list" and donated general necessities such as pajamas, towels, bedding, dishes, utensils and pots and pans to get the family started in their new home.

CROWLEY AUTO GROUP DONATES TO BRISTOL TECHNICAL EDUCATION CENTER



Crowley Auto Group Founder Kenneth Crowley visited Bristol Technical Education Center recently and presented the student council and automotive trade students with a check for \$3,500 from a recent fundraiser held at the auto dealership. Pictured (from left) are: Ken Crowley, Crowley Auto Group founder; Luz Manson, administrator of Bristol Technical Education Center; Jay Moran, Crowley's general sales manager; and Brent Davenport, HVAC instructor and student council advisor.

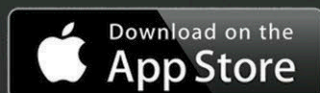
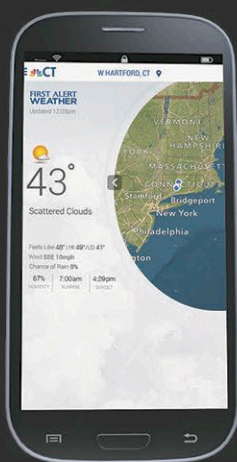


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